

242.7302

(2) Concentrates on specific areas of the contractor's insurance programs, pension plans, or other deferred compensation plans.

(b) DCMA is the DoD Executive Agency for the performance of all CIPRs.

(c) DCAA is the DoD agency designated for the performance of contract audit responsibilities related to Cost Accounting Standards administration as described in FAR Subparts 30.2 and 30.6 as they relate to a contractor's insurance programs, pension plans, and other deferred compensation plans.

[71 FR 9273, Feb. 23, 2006]

242.7302 Requirements.

Follow the procedures at PGI 242.7302 to determine if a CIPR is needed.

[71 FR 9273, Feb. 23, 2006]

242.7303 Responsibilities.

Follow the procedures at PGI 242.7303 when conducting a CIPR.

[71 FR 9273, Feb. 23, 2006]

Subpart 242.74—Technical Representation at Contractor Facilities

242.7400 General.

(a) Program managers may conclude that they need technical representation in contractor facilities to perform non-contract administration service (CAS) technical duties and to provide liaison, guidance, and assistance on systems and programs. In these cases, the program manager may assign technical representatives under the procedures in 242.7401.

(b) A technical representative is a representative of a DoD program, project, or system office performing non-CAS technical duties at or near a contractor facility. A technical representative is not—

(1) A representative of a contract administration or contract audit component; or

(2) A contracting officer's representative (see 201.602).

[70 FR 67921, Nov. 9, 2005]

48 CFR Ch. 2 (10–1–06 Edition)

242.7401 Procedures.

When the program, project, or system manager determines that a technical representative is required, follow the procedures at PGI 242.7401.

[70 FR 67921, Nov. 9, 2005]

Subpart 242.75—Contractor Accounting Systems and Related Controls

242.7501 Policy.

Contractors receiving cost-reimbursement or incentive type contracts, or contracts which provide for progress payments based on costs or on a percentage or stage of completion, shall maintain an accounting system and related internal controls throughout contract performance which provide reasonable assurance that—

(a) Applicable laws and regulations are complied with;

(b) The accounting system and cost data are reliable;

(c) Risk of misallocations and mischarges are minimized; and

(d) Contract allocations and charges are consistent with invoice procedures.

[60 FR 29500, June 5, 1995. Redesignated at 70 FR 67921, Nov. 7, 2005]

242.7502 Procedures.

(a) Upon receipt of an audit report identifying significant accounting system or related internal control deficiencies, the ACO will—

(1) Provide a copy of the report to the contractor and allow 30 days, or a reasonable extension, for the contractor to respond;

(2) If the contractor agrees with the report, the contractor has 60 days from the date of initial notification to correct any identified deficiencies or submit a corrective action plan showing milestones and actions to eliminate the deficiencies.

(3) If the contractor disagrees, the contractor should provide rationale in its written response.

(4) The ACO will consider whether it is appropriate to suspend a percentage of progress payments or reimbursement of costs proportionate to the estimated cost risk to the Government,

considering audit reports or other relevant input, until the contractor submits a corrective action plan acceptable to the ACO and corrects the deficiencies. (See FAR 32.503–6 (a) and (b) and FAR 42.302(a)(7)).

[60 FR 29500, June 5, 1995. Redesignated at 70 FR 67921, Nov. 7, 2005]

PART 243—CONTRACT MODIFICATIONS

Subpart 243.1—General

Sec.

243.107–70 Notification of substantial impact on employment.

243.170 Identification of foreign military sale (FMS) requirements.

243.171 Obligation or deobligation of funds.

Subpart 243.2—Change Orders

243.204 Administration.

243.204–70 Certification of requests for equitable adjustment.

243.205 Contract clauses.

243.205–70 Pricing of contract modifications.

243.205–71 Requests for equitable adjustment.

AUTHORITY: 41 U.S.C. 421 and 48 CFR chapter 1.

SOURCE: 56 FR 36446, July 31, 1991, unless otherwise noted.

Subpart 243.1—General

243.107–70 Notification of substantial impact on employment.

The Secretary of Defense is required to notify the Secretary of Labor if a modification of a major defense contract or subcontract will have a substantial impact on employment. The clause prescribed at 249.7003(c) requires that the contractor notify its employees, its subcontractors, and State and local officials when a contract modification will have a substantial impact on employment.

[56 FR 67220, Dec. 30, 1991, as amended at 70 FR 67922, Nov. 9, 2005]

243.170 Identification of foreign military sale (FMS) requirements.

Follow the procedures at PGI 243.170 for identifying contract modifications that add FMS requirements.

[70 FR 67922, Nov. 9, 2005]

243.171 Obligation or deobligation of funds.

Follow the procedures at PGI 243.171 when obligating or deobligating funds.

[70 FR 67922, Nov. 9, 2005]

Subpart 243.2—Change Orders

243.204 Administration.

Follow the procedures at PGI 243.204 for review and definitization of change orders.

[70 FR 67922, Nov. 9, 2005]

243.204–70 Certification of requests for equitable adjustment.

(a) A request for equitable adjustment to contract terms that exceeds the simplified acquisition threshold may not be paid unless the contract certifies the request in accordance with the clause at 252.243–7002.

(b) To determine if the dollar threshold for requiring certification is met, add together the absolute value of each cost increase and each cost decrease. See PGI 243.204–70(b) for an example.

(c) The certification required by 10 U.S.C. 2410(a), as implemented in the clause at 252.243–7002, is different from the certification required by the Contract Disputes Act of 1978 (41 U.S.C. 605(c)). If the contractor has certified a request for equitable adjustment in accordance with 10 U.S.C. 2410(a), and desires to convert the request to a claim under the Contract Disputes Act, the contractor shall certify the claim in accordance with FAR Subpart 33.2.

[62 FR 37147, July 11, 1997, as amended at 63 FR 11541, Mar. 9, 1998; 70 FR 67922, Nov. 9, 2005]

243.205 Contract clauses.

243.205–70 Pricing of contract modifications.

Use the clause at 252.243–7001, Pricing of Contract Modifications, in solicitations and contracts when anticipating and using a fixed price type contract.

[56 FR 36446, July 31, 1991. Redesignated at 66 FR 49865, Oct. 1, 2001]